

Message Text

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INFO OCT-01 ISO-00 AID-05 PC-01 OMB-01 CIAE-00 DODE-00
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PRS-01 SP-02 SS-15 USIA-06 TRSE-00 COME-00 EB-08
LAB-04 SIL-01 OES-06 /082 W
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R 050837Z APR 77
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 732
INFO AMEMBASSY DACCA
AMEMBASSY KABUL
AMCONSUL KARACHI
AMCONSUL LAHORE
AMEMBASSY NEW DELHI
CINCPAC

C O N F I D E N T I A L SECTION 1 OF 3 ISLAMABAD 3252

E.O. 11652: GDS
TAGS: PINT, PGOV, PK
SUBJECT: BHUTTO'S NEW CABINET

REF: ISLAMABAD 3039, ISLAMABAD 3135, LAHORE 306 (NOTAL),
KARACHI 1550 (NOTAL)

CINCPAC FOR POLAD

SUMMARY
THE NEW BHUTTO CABINET IS PROBABLY THE MOST COMPETENT
MINISTERIAL GROUP THE PM HAS WORKED WITH.
THE CABINET GENERALLY APPEARS MORE MODERATE, BETTER
EDUCATED, AND MORE OBVIOUSLY REPRESENTATIVE OF PAKISTAN'S
TRADITIONAL RULING ELITE THAN ITS PREDECESSOR. THE SACKING
OF SEVERAL MEMBERS OF THE LAST CABINET ACCUSED OF ELECTION
FRAUD SEEMS DESIGNED INTER ALIA TO UNDERSCORE AND MAKE
MORE CREDIBLE BHUTTO'S IMPLICIT OFFER TO END THE PRESENT
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POLITICAL CONFRONTATION THROUGH A SETTLEMENT WHICH INCLUDES
GIVING ADDITIONAL NA SEATS TO THE OPPOSITION.

THE ANNOUNCEMENT OF THE CABINET IS ITSELF PART OF A
BROADER EFFORT ON THE PM'S PART TO REFURBISH HIS OWN IMAGE
AND THAT OF HIS ADMINISTRATION AND PARTY. REACTION TO ITS
APPOINTMENT HAS BEEN RELATIVELY MUTED AND, IN THE SHORT RUN

AT LEAST, THE FACT THAT BHUTTO HAS BROUGHT IN A BETTER GROUP OF MINISTERS WILL MAKE LITTLE REAL DIFFERENCE IN HIS EFFORT TO BEAT BACK THE OPPOSITION'S CHALLENGE TO HIS CONTINUED RULE.

OF THE SHIFTS IN RESPONSIBILITY, ONE WHICH COULD BE HIGHLY SIGNIFICANT IS PIRZADA'S FROM EDUCATION TO FINANCE. HOWEVER, WHILE THE SEEMINGLY MORE COMPETENT CABINET MAY BE SUCCESSFUL IN RUNNING THE GOVERNMENT MORE EFFECTIVELY, THE IMPACT ON POLICYMAKING OF THE CHANGES WHICH BHUTTO HAS MADE IS AT BEST QUESTIONABLE.

END SUMMARY

1. THE BHUTTO CABINET SWORN IN MARCH 30 IS PROBABLY THE MOST COMPETENT A GROUP OF MINISTERS THE PM HAS WORKED WITH SINCE HE TOOK OFFICE. THE COMPOSITION OF THE NEW GROUP OF TWENTY-ONE (TWO MINISTERS OF STATE ARE EXPECTED TO BE NAMED LATER) REFLECTS IN PART THE CHANGES OVER THE PAST YEARS IN THE PAKISTAN PEOPLE'S PARTY. THESE CHANGES WERE CONFIRMED AND UNDERSCORED BY THE DISTRIBUTION OF PARTY TICKETS FOR THE MARCH ELECTIONS, WHICH BROUGHT MANY OF THE NEW MINISTERS TO THE ASSEMBLY FOR THE FIRST TIME. THE NEW GROUP GENERALLY APPEARS MORE MODERATE, BETTER EDUCATED, AND MORE OBVIOUSLY REPRESENTATIVE OF PAKISTAN'S TRADITIONAL RULING ELITE THAN ITS PREDECESSOR. THE LAST ASPECT IS HIGHLIGHTED BY THE INCLUSION OF SCIONS OF SUCH LANDED PUNJABI FAMILIES AS THE LEGHARIS OF DERA GHAZI KHAN, THE NOONS OF SARGODHA, AND THE GILANIS OF MULTAN. IN SUM, THE NEW GROUP OF MINISTERS PROJECTS A MUCH MORE "ESTABLISHMENT" IMAGE THAN THE PREVIOUS BHUTTO CABINET. IN THIS SENSE, THEY MAKE

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APPROPRIATE COLLEAGUES FOR A PM WHO IN HIS CAMPAIGN STRESSED CONSOLIDATION, DOWNPLAYED SOCIALISM, AND AWARDED NOMINATIONS TO AN IMPORTANT MEASURE ON THE BASIS OF CLAN RATHER THAN OF EARLY PARTY LOYALTY OR COMMITMENT TO THE PPP'S ORIGINAL IDEOLOGY.

2. THE ATTRACTIVENESS OF THE MEMBERS OF THE NEW CABINET IS ENHANCED BY COMPARISON WITH THE QUALITY OF THOSE WHO WERE SACKED FROM THE PREVIOUS ONE. WITH THE EXCEPTION OF RAFI RAZA, WHO APPEARS TO HAVE GONE OUT ON HIS OWN INITIATIVE (HE IS EXPECTED TO LEAVE PAKISTAN FOR ENGLAND, WHERE HIS BRITISH WIFE AND THEIR CHILDREN HAVE ALREADY SETTLED), THEY ARE AN UNIMPRESSIVE CROWD. SEVERAL ARE WIDELY SUSPECTED OF ELECTION FRAUD, AND ONE OF THESE (EX-RAILWAYS MINISTER HAFIZULLAH CHEEMA) HAS ALREADY BEEN DEPRIVED OF HIS NATIONAL ASSEMBLY SEAT BY THE ELECTION COMMISSION AND FACES PROSECUTION ON CRIMINAL CHARGES. THEIR EXIT SEEMS DESIGNED, AMONG OTHER REASONS, TO UNDERScore AND MAKE MORE CREDIBLE BHUTTO'S IMPLICIT OFFER TO END THE PRESENT POLITICAL CONFRONTATION

THROUGH A SETTLEMENT WHICH INCLUDES THE GIVING OF ADDITIONAL
NA SEATS TO THE OPPOSITION. (THE ONLY MINISTER UNDER AN
OBVIOUS CLOUD OF ELECTION FRAUD WHO WAS NOT DROPPED WAS
SHEIKH RASHID. HIS SURVIVAL SEEMS THE PRODUCT OF AN INTEREST
ON BHUTTO'S PART IN HAVING AT LEAST ONE RECOGNIZED PARTY
LEFTIST IN THE CABINET.) A NUMBER OF THOSE DROPPED ARE ALSO
WIDELY BELIEVED TO HAVE TAKEN FINANCIAL ADVANTAGE OF THEIR
OFFICES.

3. OF THE NEWCOMERS, THE BEST OF THE LOT IN THE VIEW OF
MANY IS FAROOQ LEGHARI. BRIGHT AND ACTIVE, LEGHARI IS A
FORMER OFFICER IN THE CIVIL SERVICE OF PAKISTAN AND HEAD
OF HIS D.G. KHAN TRIBE. HE HAS MANY OF THE CHARACTERISTICS
THAT THE PM SEEMS TO PRIZE IN HIS SUBORDINATES -- FOREIGN
EDUCATION, SOCIAL PROMINENCE, IMPRESSIVE APPEARANCE -- AND
IF HE WINS BHUTTO'S CONFIDENCE IN THE TOUGH PRODUCTION
(I.E. NATIONALIZED INDUSTRIES) PORTFOLIO HE INHERITED FROM
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FORMER PM CONFIDANT RAZI RAZA, HE COULD PLAY A MAJOR ROLE
IN BHUTTO'S SECOND GOVERNMENT. LEGHARI HAS NOT HELD
MINISTERIAL OFFICE BEFORE. ALSO CONSIDERED ABLE, BUT ALSO
EXPERIENCED ONLY AS LEGISLATORS, ARE NUR HAYAT KHAN NOON

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AND SYED HAMID RAZA GILANI, FORMER PAK AMBASSADOR TO KENYA. SEVERAL OF THE NEW FEDERAL MINISTERS HAD PREVIOUS EXPERIENCE IN PROVINCIAL GOVERNMENT: GHULAM HUSSAIN, HAMIDUDDIN, AND S.M. MASSOOD IN THE PUNJAB; ARBAB JEHANGIR IN THE FRONTIER. THEY HAVE GENERALLY GOOD REPUTATIONS. LIKE THE PREVIOUS CABINET, THE NEW ONE HAS BEEN DESIGNED TO PROVIDE REGIONAL BALANCE, AND NO PROVINCE OR MAJOR CITY SHOULD HAVE SERIOUS CAUSE FOR COMPLAINT.

4. ASIDE FROM THE ARRIVALS AND DEPARTURES, THERE HAS BEEN AN EXTENSIVE RESHUFFLING OF THE HOLDOVERS AND A CONSIDERABLE REALIGNMENT OF GROUPED PORTFOLIOS. OF THE HOLDOVERS FROM THE LAST CABINET, ONLY TWO - RELIGIOUS AFFAIRS MINISTER KAUSAR NIAZI AND COMMUNICATIONS MINISTER MUMTAZ ALI BHUTTO -- RETAIN WHAT THEY HAD. OF THE SHIFTS IN RESPONSIBILITY, ONE WHICH WE BELIEVE COULD BE HIGHLY SIGNIFICANT IS THAT
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OF ABDUL HAFIZ PIRZADA FROM EDUCATION TO FINANCE AND PLANNING. ECONOMIC MANAGEMENT IN PAKISTAN HAS BEEN WEAK, AND THE PREVIOUS FINANCE MINISTER WAS A MILD-MANNERED, NOT PARTICULARLY QUALIFIED INDIVIDUAL. PIRZADA POSSESSES MANY OF THE ATTRIBUTES AND BUREAUCRATIC POWERS WHICH WOULD BE NECESSARY IN A TOP ECONOMIC OFFICIAL WERE BHUTTO TO DECIDE TO GIVE MORE SERIOUS ATTENTION TO THE ECONOMY. HE HAS BEEN GIVEN THE KEY ECONOMIC PORTFOLIO; HE RETAINS THE HIGHLY IMPORTANT PORTFOLIO OF PROVINCIAL COORDINATION, AN ASSIGNMENT WHICH GETS HIM INVOLVED IN A WIDE RANGE OF PROBLEMS INVOLVING THE FOUR PROVINCIAL GOVERNMENTS; AND, MOST IMPORTANT OF ALL, HE IS CLOSE TO THE PRIME MINISTER, PROBABLY TRUSTED BY BHUTTO AS MUCH AS ANYONE IS. HOW MUCH IMPACT HE HAS WILL, OF COURSE, DEPEND ON HOW BHUTTO WANTS TO RUN THE ECONOMY -- AND HOW MUCH EXTRACURRICULAR TROUBLESHOOTING ASSIGNMENTS CONTINUE TO BUT INTO HIS TIME. (CONGEN KARACHI REPORTS THAT PIRZADA'S DESIGNATION AS FINANCE MINISTER IS WELCOMED IN THE BUSINESS COMMUNITY BECAUSE HE IS THOUGHT TO BE NUMBER TWO IN THE PPP AND WELL DISPOSED TOWARDS THE PRIVATE SECTOR. IN ADDITION, HE TENDS TO BE LOOKED UPON AS A MAN WHO "GETS THINGS DONE." SOME, HOWEVER CONTEND THAT PIRZADA IS LOSING POLITICAL FAVOR WITH BHUTTO, A SPECULATIVE LINE WE DON'T SHARE.)

5. AMONG THE OTHER HOLDOVER MINISTERS WHO HAVE TAKEN ON NEW RESPONSIBILITIES, MIR AFZAL STRIKES US A GOOD CHOICE

FOR WATER AND POWER, A MINISTRY BROKEN OUT OF THE FORMER MORE BROADLY RESPONSIBLE ONE WHICH HAD ALSO HANDLED FUEL. HE HAS A GOOD GRASP OF HOW TO RUN THINGS, WHICH IS PROBABLY THE MOST SORELY NEEDED SKILL IN THAT PORTFOLIO. RANA MOHAMMED HANIF WILL PROBABLY BE NO MORE FORCEFUL IN THE COMMERCE MINISTRY, WHERE HE REPLACES MIR AFZAL, THAN WE WAS AT FINANCE. THE BIFURCATION OF THE HEALTH/POPULATION PLANNING AND LABOR PORTFOLIO REDUCES THE CHARGE OF TAJ MOHAMMED JAMALI, REGARDED AS A QUIET SPOKEN, UNIMAGINATIVE BALUCH, WHO MAY DEVOTE MORE TIME TO HIS HEALTH/POPULATION RESPONSIBILITIES NOW THAT LABOR IS NO LONGER UNDER HIM. THE
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EXPERIENCED ABDUL SATTAR GABOL, WHO MAINTAINS CLOSE TIES WITH KARACHI LABOR ORGANIZATIONS, HAS BEEN PROMOTED FROM MINISTER OF STATE FOR LABOR TO FULL CABINET RANK. ANOTHER PROMOTED MINISTER OF STATE WAS AZIZ AHMED. WE UNDERSTAND THAT HIS APPOINTMENT AS MINISTER OF FOREIGN AFFAIRS, A POSITION HE LONG SOUGHT, CAME AS A SURPRISE TO HIM. IT SHOULD HAVE NO IMPACT ON THE CONDUCT OR SHAPE OF GOP FOREIGN POLICY. AZIZ AHMED NO LONGER HAS RESPONSIBILITIES IN THE DEFENSE MINISTRY. BHUTTO, WHO WAS DEFENSE MINISTER IN

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THE LAST CABINET, RETAINS THAT PORTFOLIO, AT LEAST TEMPORARILY, AND NO NEW MINISTER OF STATE HAS BEEN CHOSEN. THE PM ALSO CARRIES ON AS HOME MINISTER, A RESPONSIBILITY WHICH HE TOOK FOLLOWING THE OUSTER IN JANUARY OF ABDUL QAIYUM KHAN. (THE ABSENCE OF QAIYUM AND HIS QML COLLEAGUE YUSUF KHATTAK DOES NOT IMPAIR THE BETTER IMAGE THE NEW CABINET PROJECTS.) THE PM HAS ALSO NOT YET ALLOTTED RESPONSIBILITY FOR SOCIAL WELFARE.

6. DOES IT MATTER FOR POLICY MAKING? WHILE THE NEW CABINET GENERALLY LOOKS MORE COMPETENT THAN ITS PREDECESSORS, AND MAY BE SUCCESSFUL IN RUNNING THE GOVERNMENT MORE EFFECTIVELY, THE IMPACT ON POLICYMAKING OF THE INSTALLATION OF NEWCOMERS AND THE REALIGNMENT OF RESPONSIBILITY AMONG THE HOLDOVERS IS QUESTIONABLE. MANY ELSEWHERE IN PAKISTAN WILL AGREE WITH CONGEN KARACHI'S REPORT THAT MOST OBSERVERS THERE BELIEVE CONFIDENTIAL

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THAT THE IDENTITY OF THE MINISTERS AND THE PORTFOLIOS ALLOCATED TO THEM IS OF LITTLE IMPORTANCE BECAUSE POLICY DECISIONS ARE MADE BY THE PRIME MINISTER AND THE MINISTERS CARRY THEM OUT WITH MORE OR LESS SKILL AND ENERGY. CERTAINLY IN THE PAST BHUTTO HAS BECOME PERSONALLY INVOLVED IN A WIDE VARIETY OF DECISIONS, AND THE INFLUENCE OF THE MINSTER INVOLVED HAS OFTEN SEEMED MINIMAL. NOR HAS THE PRESENCE OF A PARTICULAR POLITICIAN IN A PARTICULAR MINISTRY INSURED THAT HIS INFLUENCE IN POLICYMAKING IN THAT AREA WILL BE GREATER THAN THAT OF OTHERS IN THE PM'S ENTOURAGE, WHETHER THESE ARE WITHIN OR OUTSIDE THE MINISTRY. THERE IS LITTLE REASON TO BELIEVE THAT THIS SYSTEM OF INTENSELY PERSONALIZED GOVERNMENT WHICH THE PM HAS FAVORED WILL BE SIGNIFICANTLY MODIFIED IN HIS SECOND TERM. IT IS ALSO FAIR TO QUESTION ON THE BASIS OF THE RECORD OF THE PAST FIVE YEARS WHETHER THE ORIENTATION OF THE CABINET AS A WHILE-- MORE MODERATE, LESS MODERATE, ETC.--IS REFLECTED IN THE OVERALL THRUST OF GOP POLICY.

7. DOES IT MATTER IN THE POLITICAL CONFRONTATION. IN CHOOSING HIS NEW CABINET, BHUTTO DOUBTLESS HAD IN MIND THAT THE FRESH FACES HE HAD BROUGHT INTO GOVERNMENT WOULD HELP IN WHAT IS CLEARLY A BROAD EFFORT ON THE PM'S TO REFURBISH HIS OWN IMAGE AND THAT OF HIS ADMINISTRATION AND PARTY FOLLOWING THE REVELATIONS OF POPULAR DISSATISFACTION IN THE COURSE OF THE ELECTION CAMPAIGN AND ITS AFTERMATH. THE

PUBLICITY PUT OUT BY GOVERNMENT AGENCIES AND IN THE GOVERNMENT PRESS ABOUT THE APPOINTMENTS IS PART OF THIS EFFORT. DESPITE THIS BALLYHOOING, INTEREST IN THE CABINET HAS BEEN RELATIVELY MUTED. EDITORIAL COMMENT HAS BEEN RATHER LESS THAN AT THE TIME OF EARLIER MINISTRY REORGANIZATIONS. FOR MANY, THE ANNOUNCEMENT SEEMS A SIDESHOW AT A TIME WHEN THE GOVERNMENT IS LOCKED IN A CONFRONTATION WITH AN OPPOSITION DETERMINED TO BRING IT DOWN. WE SUSPECT THAT IN THE SHORT RUN, AT LEAST, THE FACT THAT BHUTTO HAS BROUGHT IN A BETTER GROUP OF MINISTERS WILL MAKE LITTLE
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REAL DIFFERENCE IN HIS EFFORT TO BEAT BACK THE OPPOSITION CHALLENGE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, REORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ISLAMA03252
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770118-0262
Format: TEL
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770488/aaaacyjc.tel
Line Count: 351
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8825efa9-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 ISLAMABAD 3039, 77 ISLAMABAD 3135, 77 LAHORE 306
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2896655
Secure: OPEN
Status: NATIVE
Subject: BHUTTO'S NEW CABINET
TAGS: PINT, PGOV, PK, (BHUTTO, ALI)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8825efa9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009